

Fiscal Year 2026 (FY26)
NMDA’s Healthy Soil Program **ELIGIBLE ENTITY grants**
Frequently Asked Questions (FAQ)

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THE BASICS

1. What is an Eligible Entity?

A: As defined in the Healthy Soil Act, an Eligible Entity is “a **local governmental entity with proven land management capacity** to support healthy soil”. Such parties include:

- Pueblos, tribes, and nations
- Acequias
- Land grants
- Soil and water conservation districts (SWCDs)
- NMSU’s Cooperative Extension Service
- Other local governmental entities with proven land management capacity to support healthy soil

2. What kinds of projects can an Eligible Entity implement using Healthy Soil Program grant funding?

A: NMDA will consider on-the-ground projects in New Mexico that implement one or more of the five soil health principles:

1. Keeping soil covered
2. Minimizing disturbance on cropland and minimizing external inputs
3. Maximizing biodiversity
4. Maintaining a living root
5. Integrating animals into land management, including grazing animals, birds, beneficial insects or keystone species, such as earthworms

3. Is an Eligible Entity required to own the land they manage in order to apply for funding?

A: No. However, an Eligible Entity that doesn’t own the land where the project is intended to happen must indicate in their online application whether they anticipate being able to secure landowner permissions to implement a Healthy Soil Program project on that land.

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4. Is there a minimum acreage requirement to apply for a Healthy Soil Program grant?

A: No.

5. What is the maximum length of time a project can be funded under the Healthy Soil Program?

A: Funds will be awarded to approved projects whose activities happen no earlier than **July 15, 2025**, and no later than **September 30, 2026**. Multi-year proposals will not be considered for funding.

6. Is there a cap on funding per grant?

A: Yes. An Eligible Entity can apply up for up to \$100,000.00 in project funds, provided the Eligible Entity has a Unique Entity ID (UEI) from the System for Award Management (<https://sam.gov/>). Eligible Entities that do not possess a UEI by the grant-application deadline (March 19, 2025 at 12 p.m. (noon)) can apply for Healthy Soil Program grant funding of up to \$24,999.99.

UEIs replaced DUNS numbers in April 2022. Eligible Entities can seek a UEI from the System for Award Management at <https://sam.gov/>. The process is free but can be time-consuming.

7. Is an Eligible Entity required to provide a matching and/or in-kind contribution for its project?

A: No. Matching and in-kind contributions are not required for Healthy Soil Program grants.

APPLYING FOR A GRANT

8. Where does our Eligible Entity apply for a Healthy Soil Program grant?

A: Starting on January 15, 2025 and ending at 12 p.m. (noon) Mountain Time on March 19, 2025, applications will be accepted online at <https://grants.nmda.nmsu.edu/>. You must create a free account to begin working on the Eligible Entity's application. Additional context and links to documents required for application are at <https://nmdeptag.nmsu.edu/hsp/requirements-for-eligible-entities.html>.

9. Can our Eligible Entity apply by hand-delivering, mailing, or emailing our application materials instead of using the web-based application?

A: No. All grant applications, including supplemental documentation, must be submitted online at <https://grants.nmda.nmsu.edu/>.

10. Will NMDA accept late or incomplete applications?

A: No.

11. Will NMDA accept additional or revised information about our application after the submission deadline?

A: No.

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REQUIRED AS THE ELIGIBLE ENTITY'S FIRST PROJECT ACTIVITY:
SOIL ASSESSMENT AND SOIL TESTING

12. What is the distinction NMDA makes between soil *assessment* and soil *testing*?

A: Soil assessment happens in the field and can be done by the Eligible Entity at no cost. Soil assessment analyzes the **physical** properties of the soil. Soil testing, on the other hand, happens in a laboratory setting, which soil labs perform for a fee. NMDA requires that soil testing include a **chemical** analysis. Beyond this instruction, NMDA's Healthy Soil Program does not endorse a specific soil-testing procedure.

13. Is *pre-project* soil testing a reimbursable project activity?

A: Yes. Soil testing prior to implementing any other project activities is a requirement for Healthy Soil Program grantees; thus, it is reimbursable. Therefore, Eligible Entities implementing projects should include the cost of pre-project soil testing for chemical analysis where noted in their timeline and budget template. If an Eligible Entity desires additional soil testing beyond basic chemical analysis, they must explain why in their grant application.

14. Is *post-project* soil testing a reimbursable project activity?

A: Yes. While post-project soil testing is not *required*, it is a reimbursable project activity, provided that:

1. The Eligible Entity plans to conduct *post-project* testing 12 months or more after pre-project testing, yet still within the grant term (July 15, 2025 to September 30, 2026);
2. The Eligible Entity plans to conduct the same number of soil tests in the same locations as they plan to conduct *pre-project*; and
3. The Eligible Entity adds a budget line-item reflective of the two points above.

15. How should I determine the number of soil samples I take to submit for pre-project soil testing?

A: Eligible Entities are encouraged to seek the guidance from their local office of USDA-Natural Resource Conservation Service (NRCS) or NMSU-Cooperative Extension Service (CES) office to determine the number of soil tests that are appropriate for the project site(s).

16. Which soil health lab should our Eligible Entity use for our project?

A: NMDA's Healthy Soil Program does not recommend or endorse a specific lab. You may find this resource from New Mexico State University—Cooperative Extension Service useful in identifying a certified lab to analyze the Eligible Entity's soil samples:

https://aces.nmsu.edu/pubs/_a/A146/welcome.html.

PROJECT BUDGET

17. I see that NMDA's template where I'm to document the timeline and budget for my project is in Excel format. Will NMDA accept other versions of that information?

A: No. You must work on and submit your timeline and budget template **exclusively** using the Excel version found at <https://nmdeptag.nmsu.edu/hsp/requirements-for-eligible-entities.html>.

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Using any other format or file will render your application ineligible. Further, any manipulation of the formulas that automatically calculate dollar totals, could also result in application ineligibility.

18. How does our Eligible Entity complete the combined timeline and budget template?

A: The Eligible Entity is expected to do their own research on all activities, as well as goods and services, needed to implement their project. This includes providing on the timeline and budget template:

- a clear **description** of the project activity (what work is to be done, and where)
- a clear **description** of the good or service requested to carry out that project activity
- the **unit** in which the good or service is sold, as well as the **number of units** requested
 - Use specific measurements like 10 lbs., 1 ton, 100 linear feet, 10 hours, etc.
Avoid using units whose measurements often vary widely, such as *packets, bags, bales, truckloads, bundles, packages, consults*, etc.
- the **price per unit**, including the per-unit breakdown of tax and any other additional charges assessed by the seller, such as shipping and handling

19. Given that NMDA’s combined timeline and budget template requires us to distinguish between goods and services, as well as between nondurable goods and durable goods, how do they all differ?

A: The chart below offers a way of understanding these differences:

GOODS		SERVICES
<ul style="list-style-type: none"> • Tangible • Items that are yours after purchase 		<ul style="list-style-type: none"> • Intangible • Specialized work that is performed for a fee
NONDURABLE GOODS	DURABLE GOODS	
Perishable	Nonperishable	
Not subject to NMDA’s \$4,999.99 cap	Subject to NMDA’s \$4,999.99 cap <i>(see Questions 20-21)</i>	Not subject to NMDA’s \$4,999.99 cap
Examples eligible for HSP funding include cover crop seed, compost, mulch, etc.	Examples eligible for HSP funding include PVC pipe, T-posts, wire, etc.	Examples eligible for HSP funding include soil testing, no-till drill rental, hosting public outreach activities (trainings, guest speakers, field days), etc.
<p>For more examples of eligible purchases, please visit https://nmdeptag.nmsu.edu/hsp/requirements-for-eligible-entities.html and refer to the Project Development Guidance Document available under Step 2.</p> <p>Continue reading to better understand funding restrictions.</p>		

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20. What are some typically requested goods (nondurable and durable) and services that are **ineligible** for purchase using Healthy Soil Program grant funding?

A: Although this list is not exhaustive, it is representative of previously requested goods and services that are **ineligible** for grant funding:

- Any good or service associated with an activity happening *outside* the grant period (July 15, 2025 to September 30, 2026)
- Consulting fees for services that aren't directly related to soil health
- Consulting fees amounting to more than 10% of the project total
- Topsoil
- Greenhouses, high tunnels, and planter boxes
- Tillage equipment
- Equipment and labor for land leveling
- Materials and labor for erosion-control structures
 - Since such structures can actually *worsen* problems if they're not properly designed and installed, NMDA recommends that land managers seek guidance from USDA's Natural Resources Conservation Service (NRCS) on such structures, as well as related funding sources to construct them (EQIP, etc.).
- Equipment for applying herbicide and/or pesticide (totes, sprayers, booms, etc.)
- **Cash** crop seed or tree stock (alfalfa, chile, apple, etc.)
 - **Cover** crop seed *is* eligible for grant funding, provided that the resulting cover crop is not baled or otherwise harvested for off-site use
- Livestock (cows, goats, sheep, chickens, bees, etc.)
- Livestock feed
 - Bale grazing *is* eligible for grant funding; see Question 22 for more information
- Fuel, irrigation water, and utilities (electricity, natural gas, etc.)
- Mileage and per diem
 - Mileage *is* payable to the Eligible Entity for visits to its project site(s)
- Power tools
- Building materials (lumber, tin, electrical supplies, etc.) used to construct livestock-housing facilities and storage sheds
 - Fencing materials to facilitate grazing management projects may be eligible if they fall within the durable-goods limit described below.
- Testing and servicing of water wells

21. What are the restrictions on the purchase of **durable** goods?

A: A durable good costing \$5,000.00 or more is ineligible for grant funding. A durable good costing \$4,999.99 or less *may* be eligible.

- Durable goods that are purchased to function as part of a larger unit – such as lengths of PVC pipe for a waterline, or posts and wire for a fence – are considered *collectively*. **For example:** If the combined cost of the posts and wire required for a fence is more than \$4,999.99, then the posts and wire are ineligible for grant funding.

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22. We understand that Healthy Soil Program funds cannot be used to feed livestock, but they can be put toward bale-grazing projects. How can our Eligible Entity put forward a successful bale-grazing project?

A: Eligible Entities must work with USDA's Natural Resources Conservation Service (NRCS) to develop a bale-grazing plan. Specifically, Eligible Entities should use the bale grazing template available on the Healthy Soil Program web page specific to Eligible Entities: <https://nmdeptag.nmsu.edu/hsp/requirements-for-eligible-entities.html>. The template is based on "USDA-NRCS Conservation Enhancement Activity New Mexico Supplement, E528P Implementing bale or swath grazing to increase organic matter and reduce nutrients in surface water".

APPLICATION SUBMISSION, REVIEW, AND SELECTION

23. After our Eligible Entity submits our application, will NMDA contact us if they have questions about it?

A: No. Before submitting their application, Eligible Entities are expected to review the resources available on the Healthy Soil Program web page specific to Eligible Entities: <https://nmdeptag.nmsu.edu/hsp/requirements-for-eligible-entities.html>. Further, all Eligible Entities can contact NMDA before submitting their application if they need additional information.

24. How are applications evaluated and selected?

A: After reviewing applications to ensure that they are complete and within the scope of the Healthy Soil Program, NMDA convenes a Technical Review Committee to evaluate applications. This committee consists of farmers, ranchers, and other land managers; scientists with expertise in soil health; staff from USDA's Natural Resources Conservation Service (NRCS); and, per the Healthy Soil Act, members of the New Mexico Soil and Water Conservation Commission. Based on their evaluation, the committee recommends projects and funding levels. The committee's recommendations then are presented to the New Mexico Secretary of Agriculture for final decision-making.

25. If our project is selected for partial funding, how will the decision be made about which items are scaled down or altogether removed?

A: The first items removed from the project budget are those that are ineligible for grant funding. In instances where only partial funding is granted, NMDA will make decisions based on the Eligible Entity's response to the related question in the application (regarding the possibility of partial funding and how that would necessitate a scaling-back of project activities and associated goods and/or services). Because of the volume of projects and the need to begin project work without delay, **this process is not open to negotiation with the Eligible Entity.**

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26. Will our Eligible Entity be notified of the outcome of our application?

A: Yes. On or about June 12, 2024, Eligible Entities will be notified of the outcome, regardless of whether their projects were selected for funding or not. NMDA will provide this notification via the email address supplied in the application.

**IF YOUR ELIGIBLE ENTITY'S PROJECT IS AWARDED
A HEALTHY SOIL PROGRAM GRANT**

27. What is required of the Eligible Entity grantee prior to receiving Healthy Soil Program grant funding?

A: Each Eligible Entity whose application is selected for funding must attend a **mandatory grant training online on June 24, 2025**. The training will review in detail the soil testing and assessment, invoicing, and reporting requirements that come with receiving grant funds, as well as any contractual agreements between NMDA and grantees. **Failure to attend the grantee training risks cancellation of the grant award.**

28. If our project is selected for a Healthy Soil Program grant, when will funding be released for its implementation?

A: All grant funds are paid on a cost-reimbursement basis. This means that the Eligible Entity implementing the project must incur project costs before seeking Healthy Soil Program funds to reimburse those costs. The Eligible Entity should submit their invoices (and related receipts) to NMDA early and often – at least monthly. This approach ensures that the Eligible Entity is reimbursed often. Invoices and related receipts must match the approved budget for the project. Purchases of items that are not part of the approved project budget will not be reimbursed. Purchases that exceed line-item dollar amounts in the approved project budget also will not be reimbursed.

29. How can we ensure quick, complete payment for approved project expenses?

A: The Eligible Entity has an important role to play in ensuring quick, complete payment for approved project expenses:

- Follow the approved budget for the Eligible Entity's project
- Know that NMDA will not reimburse cost *estimates*
- **Do not pay cash for approved budget items**
- When buying an approved budget item, get a receipt showing that the balance due is \$0.00
 - Otherwise, the Eligible Entity will be asked to provide proof of payment: a canceled check, or a bank or credit card statement
- Contact NMDA well in advance if you foresee shortages in approved budget items you have yet to purchase
- Keep in mind that NMDA will not reimburse expenses that are not part of the approved project budget. This includes tax, shipping and handling, postage, etc. not already accounted for within each line-item's price per unit
- Keep receipts

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- Keep receipts away from sunlight, liquids, and anything else that might make them illegible
- **Invoice NMDA**
 - **early and often! At least monthly**
 - on Eligible Entity letterhead (using the invoice template NMDA provides)
 - noting the current date
 - noting the purchase order (P.O.) number specific to the Eligible Entity's project
 - referencing specific line-items on the approved project budget
 - attaching related receipts that are **legible**
- Verify information on the invoice and associated receipts before emailing them to NMDA's Healthy Soil Program (hsp@nmda.nmsu.edu).

IMPORTANT PROGRAM DATES

Date	What happens
January 15, 2025	Application period opens for Eligible Entities
February 28 1:30 to 3 p.m.	NMDA hosts webinar to demonstrate application process
March 19 12 p.m. (noon)	Deadline to apply (application period closes for Eligible Entities)
Application period above Award period below	
June 12 (on or about)	NMDA notifies all Eligible Entities of application outcome
June 24 Time TBD	NMDA hosts mandatory grantee training online
June 25	NMDA begins distributing contractual paperwork (Memoranda of Agreement (MOAs)) that must be fully executed before grant-funded activities can begin
July 15	<ul style="list-style-type: none"> • Earliest date when grant-funded activities can begin <i>if</i> MOA is returned to NMDA • Earliest date when required pre-project soil tests(s) and assessment(s) can be performed
July 31	Conditional grant awards may be cancelled if MOA not signed and returned to NMDA
November 30	Deadline to submit the Eligible Entity's 1st quarterly report, including pre-project soil test and assessment data, to NMDA
March 31, 2026	Deadline to submit the Eligible Entity's 2nd quarterly report to NMDA
June 30	Deadline to submit the Eligible Entity's 3rd quarterly report to NMDA
September 30	<ul style="list-style-type: none"> • Date by which grant-funded activities must be completed • Date by which post-project soil assessment(s) must be performed

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October 15	<ul style="list-style-type: none">• Deadline to submit the Eligible Entity's 4th quarterly/FINAL report, including post-project soil assessment data, to NMDA• Deadline to submit final invoices to NMDA for approved project expenses
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FOR MORE INFORMATION

30. Where can our Eligible Entity learn more about NMDA's Healthy Soil Program?

A: To learn more about the Healthy Soil Program, visit <https://nmdeptag.nmsu.edu/healthy-soil-program.html> or contact NMDA's Healthy Soil Program team at hsp@nmda.nmsu.edu.